

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-677

October 4, 2000

BANGOR HYDRO-ELECTRIC COMPANY
Request for Approval of Affiliated Interest
Transaction Regarding Property Adjacent
To Orrington Substation

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On August 9, 2000, Maine Electric Power Company (MEPCO) and Bangor Hydro-Electric Company (BHE) jointly requested approval of an affiliated interest transaction. Pursuant to 35-A M.R.S.A. § 707(3), we approve the transaction.

MEPCO owns and operates an electric power transmission substation, including related equipment, located in Orrington, Maine. BHE owns and operates certain electrical transmission equipment within and related to the Orrington substation. Vanessa Shirland owns a house and land adjacent to the Orrington substation. The substation and related equipment has caused a significant noise problem at the Shirland residence. BHE agreed that before May, 1999, noise level measurements at the Shirland residence violated Department of Environmental Protection (DEP) regulations. In May, 1999, BHE constructed noise buffers next to the substation in order to reduce the noise at the Shirland residence. Ms. Shirland agreed that the noise buffers significantly improved the problem until the Maritimes & Northeast gas pipeline construction occurred later during the summer of 1999. The gas pipeline uses the transmission corridor, and trees and other vegetation were removed during the pipeline construction.¹

As BHE and MEPCO desire to maintain and operate the Orrington substation for the benefit of both electric transmission systems, BHE and MEPCO decided to resolve all claims about the noise problem by jointly buying the Shirland property. BHE and MEPCO executed an agreement by which each agrees that BHE will purchase the Shirland property and that MEPCO and BHE will share evenly the appraisal costs, closing costs and acquisition costs. After BHE acquires title to the property, BHE will divide the property, retaining a portion adjacent to the substation for operation and maintenance of the substation and offering the remaining portion for sale. The portion offered for sale will include a deed restriction for noise and other impacts related to

¹ The noise problem was raised and discussed in Docket No. 98-849, our approval of BHE's request for a certificate of public convenience to build a transmission line that terminates at the Orrington substation. Bangor Hydro-Electric Company, No. 98-849, Order Approving Stipulation (July 30, 1999).

operation of the substation. BHE will share evenly any proceeds received for the sale (minus closing costs).

As BHE owns more than 10% of MEPCO, BHE and MEPCO are affiliated interests as that term is defined in 35-A M.R.S.A. § 707. The agreement between MEPCO and BHE therefore requires Commission approval pursuant to 35-A M.R.S.A. § 707(3).

In order to approve the affiliated transaction, we must find that the agreement is not adverse to the public interest. We find that it is not adverse to the public interest for BHE and MEPCO to agree to jointly participate and pay to solve the problems caused by the noise at the Orrington substation. Both T&D utilities use and benefit from the electrical equipment at the substation. Accordingly, we approve the affiliated transaction between BHE and MEPCO. We must leave the proper ratemaking treatment of this transaction to future rate proceedings. 35-A M.R.S.A. § 703(3)(D).

Dated at Augusta, Maine, this 4th day of October, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:	Welch Diamond
COMMISSIONER ABSENT:	Nugent

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.